

**Housing Successor Annual Report
Low and Moderate Income Housing Asset Fund
For Fiscal Year 2013-2014 Pursuant To
California Health and Safety Code Section 34176
For The City Of Fairfield Housing Authority
(Revised March 25, 2015)**

Senate Bill 341 (SB 341) became effective on January 1, 2014, requiring each housing successor agency that assumed the housing functions of a former redevelopment agency to post a report on its website containing information regarding the low and moderate income housing asset funds of the former redevelopment agency for the previous fiscal year. In this case, the City of Fairfield Housing Authority, as the housing successor, is required to prepare and post the report. (Attachment A).

In addition, Housing Successor Agency is required to conduct and provide an independent financial audit of the Fund within six months of the end of the fiscal year. The Audit may be included as part of the City's independent financial audit.

The City of Fairfield Housing Authority assumed the housing functions of the former City of Fairfield Redevelopment Agency on June 10, 2013. The transfer of the functions included the transfer of formerly designated RDA low- and moderate-income housing funds as were any funds generated by former RDA housing assets.

To ensure that the monies in the Fund are expended in accordance with the law, Section 34176.1(f) requires an independent financial audit of the Fund within six months of the end of the fiscal year. The independent audit of the City's Fund will be included as part of the Comprehensive Audited Financial Report (CAFR) prepared by Vavrinek, Trine, Day, & Co. LLP, and is on the City's website at <http://www.fairfield.ca.gov/gov/depts/finance/cafr/default.asp>.

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Asset Balances and Expenditures

The Low Mod Income Housing Asset Fund includes all of the assets that were transferred from the RDA to the City of Fairfield Housing Authority upon dissolution of the RDA. These assets include:

- Real properties
- Affordable housing covenants
- Loan receivables
- Income from ground leases and rental properties

A total of \$283,921 was deposited into the Low Mod Income Housing Asset Fund (LMIHAF) during fiscal Year 2013-14 (FY 13/14). At the close of the FY 13/14 the ending asset balance in the fund of which receivables and land held for resale make up the majority of this amount. The cash balance in the fund at June 30, 2014 was \$126,555. There were no Recognized Obligation Payment Schedule (ROPS) deposits during this time frame. Receivables and land held for resale make up the ending asset balance. Expenditures from the LMIHAF during this fiscal period totaled \$460,264 were for administrative and/or personnel expenses. The total value of assets of the Housing Successor Agency at the end of the FY 13/14 was \$43,988,261.

The Housing Authority's inventory of real property assets includes 43 parcels encompassing approximately 95+ acres of land. The properties are zoned for residential, commercial, public facility and industrial business park development. The properties listed are not encumbered with an affordable housing lease interest and are currently for sale.

- Pace Properties
- Ray Venning
- Great Jones Street
- Empire Street

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- Santa Monica Street
- Fairfield/Tabor
- Highway 12

The remaining properties transferred to the Housing Authority are developed properties with existing affordable housing units. They are continuing to meet the affordable housing requirement. These properties are encumbered with current leasehold interest.

Description of Transfers

No transfers were made to other Housing Successor(s) during this fiscal year. Our Housing Successor also did not receive any transfers during this time period.

Project Descriptions

The Successor Agency does not receive or hold property tax revenue pursuant to the ROPS and the status of that project.

Status of Compliance

The Housing Successor did not acquire any properties after February 1, 2012 therefore has nothing to report pursuant to Section 33334.16.

Outstanding Obligations

The Successor Agency had no outstanding replacement or productions requirements, therefore no action was taken.

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Income Test

The Successor Agency only expended funds on administrative costs and monitoring of units subject to Affordable Housing Agreements during fiscal year, however, the reporting for this period is not required until 2019.

Senior Housing

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former RDA and the City within the same time period. For this report the 10 year period reviewed is July 1, 2004 through June 30, 2014.

Test Period July 1, 2004 –June 30, 2014	
# of Assisted Senior Rental Units	183 (amended)
# of Total Assisted Rental Units	183 (amended)
Senior Housing Percentage	100%

Excess Surplus

The Excess Surplus calculation relates to a four-year calculation as defined in Section 341761(d) as an unencumbered amount exceeding the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the LMIHAF account during the Housing Successor's preceding four fiscal years, whichever is greater. The Housing Successor has not been in existence for that period; at this time we are unable to make that determination.

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Attachment A

NEW ANNUAL REPORT REQUIREMENTS FOR HOUSING SUCCESSORS TO REDEVELOPMENT AGENCIES

Senate Bill 341 (Chapter 796, Statutes of 2013, effective January 2014) amended Health & Safety Code Section 34176 to address particular provisions and functions relating to former "redevelopment agencies" and new "housing successor" entities allowed to elect to assume particular functions of redevelopment agencies (RDAs) after being dissolved in 2012. A housing successor entity can include a local Public Housing Authority when a city or county elects not to become the housing successor entity.

SB 341 changed the former annual report requirement due to both the State Controller and Department of Housing and Community Development (HCD) while RDAs were active until 2012. All successor housing entities now have an annual report requirement within six months after the end of each fiscal year (FY), *starting with the FY ending in 2014*, to provide an independent financial audit to the legislative body. A city or county housing successor has an additional requirement to report specified housing financial and activity information by (1) including specified information with the Annual Progress Report (APR) submitted to HCD pursuant to State housing law in reporting progress in implementing the Housing Element (*NOTE: SB 341 data should be a paper report identified as an addendum to the APR that can be sent separately from the APR due April 1*) and (2) posting specified information on the jurisdiction's website. Following are SB 341 annual report requirements described in H&SC section 34176.1 beginning with subsection (f) [note: reference to Section 33080.1 relates to former RDA reporting requirements]:

(f) Section 33080.1 of this code and Section 12463.3 of the Government Code shall not apply. Instead, the housing successor shall conduct, and shall provide to its governing body, an independent financial audit of the Low and Moderate Income Housing Asset Fund within six months after the end of each fiscal year, which may be included in the independent financial audit of the host jurisdiction. If the housing successor is a city or county, it shall also include in its report pursuant to Section 65400 of the Government Code and post on its Internet Web site all of the following information for the previous fiscal year. If the housing successor is not a city or county, it shall also provide to its governing body and post on its Internet Web site all of the following information for the previous fiscal year:

(1) The amount deposited to the Low and Moderate Income Housing Asset Fund, distinguishing any amounts deposited for items listed on the Recognized Obligation Payment Schedule from other amounts deposited.

(2) A statement of the balance in the fund as of the close of the fiscal year, distinguishing any amounts held for items listed on the Recognized Obligation Payment Schedule from other amounts.

(3) A description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).

(4) As described in paragraph (1) of subdivision (a), the statutory value of real property owned by the housing successor, the value of loans and grants receivable, and the sum of these two amounts.

(5) A description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous fiscal year and, if still unencumbered, in earlier fiscal years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.

(6) A description of any project for which the housing successor receives or holds property tax revenue pursuant to the Recognized Obligation Payment Schedule and the status of that project.

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(7) For interests in real property acquired by the former redevelopment agency prior to February 1, 2012, a status update on compliance with Section 33334.16. For interests in real property acquired on or after February 1, 2012, a status update on the project.

(8) A description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.

(9) The information required by subparagraph (B) of paragraph (3) of subdivision (a).

(10) The percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the housing successor, its former redevelopment agency, and its host jurisdiction within the same time period.

(11) The amount of any excess surplus, the amount of time that the successor agency has had excess surplus, and the housing successor's plan for eliminating the excess surplus